

House Engrossed Senate Bill

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

CHAPTER 365

## **SENATE BILL 1299**

AN ACT

AMENDING SECTION 11-292, ARIZONA REVISED STATUTES; MAKING AN APPROPRIATION;  
RELATING TO COUNTY LONG-TERM CARE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 11-292, Arizona Revised Statutes, is amended to read:

11-292. Medical care; definition

A. The board of supervisors, subject to the applicable provisions of title 42, chapter 17, articles 2 and 3, shall include in its annual budget an amount equal to fifty per cent of the amount budgeted by the county board of supervisors or the amount expended, whichever is less, for the hospitalization and medical care of the indigent sick pursuant to this article for fiscal year 1980-1981, except for Yuma and La Paz counties. The contribution amounts of those counties shall be equal to the amount Yuma county would have made pursuant to this subsection if a division had not occurred apportioned between the counties. The office of the auditor general shall determine the amount Yuma county would otherwise have included if a division had not occurred and shall then determine the contribution amounts of Yuma and La Paz counties based on the proportionate share of the estimated population in these counties as of July 1, 1982.

B. For fiscal year 1994-1995, and for each fiscal year thereafter, the state treasurer shall withhold an amount sufficient to meet the county portion of the nonfederal costs of providing long-term care system services, pursuant to title 36, chapter 29, article 2, excluding services to the developmentally disabled, from monies otherwise payable to the county under section 42-5029, subsection D, paragraph 2. This amount and the state portion of the nonfederal costs shall be specified in the annual appropriation for the maintenance and operation of the Arizona health care cost containment system. For fiscal years 1994-1995, 1995-1996 and 1996-1997, monies shall be withheld from each county based on the following percentages derived from a state auditor general's certified audit of fiscal year 1987-1988 county long-term care and home health care expenditures, except that amounts withheld shall be adjusted to reflect amounts paid by counties pursuant to section 36-2952:

1. Apache:	0.22%
2. Cochise:	2.49%
3. Coconino:	0.66%
4. Gila:	2.56%
5. Graham:	0.64%
6. Greenlee:	0.34%
7. La Paz:	0.34%
8. Maricopa:	56.55%
9. Mohave:	2.73%
10. Navajo:	0.91%
11. Pima:	20.55%

1	12. Pinal:	5.09%
2	13. Santa Cruz:	1.05%
3	14. Yavapai:	3.12%
4	15. Yuma:	2.75%

5 C. In each fiscal year, of the total amount that is specified in the  
6 annual appropriation as the nonfederal portion of the cost of providing  
7 long-term care services, excluding services to the developmentally disabled,  
8 and that represents an increase from the amount that was specified in the  
9 annual appropriation for the prior fiscal year, the state shall pay fifty per  
10 cent of the increase. The remaining nonfederal portion of the costs shall be  
11 apportioned among the counties according to the proportion that each county's  
12 net nonfederal expenditures for long-term care services, excluding services  
13 to the developmentally disabled, bears to the total nonfederal expenditure  
14 for all counties two fiscal years earlier, with the following adjustments in  
15 the following order:

16 1. If the resulting net county contribution when expressed as an  
17 imputed property tax rate per one hundred dollars of net assessed value  
18 exceeds ninety cents, the county's contribution shall be reduced so that the  
19 imputed property tax rate equals ninety cents and the difference shall be  
20 paid by the state.

21 2. Any county with a native American population that represents at  
22 least twenty per cent of the county's total population according to the most  
23 recent United States decennial census shall contribute an amount equal to the  
24 prior fiscal year's contribution plus fifty per cent of the difference  
25 between the prior year's contribution were it calculated using the percentage  
26 in subsection B of this section and the current year's contribution as if its  
27 share of the total nonfederal portion of the long-term care costs had been  
28 calculated using the percentage prescribed in subsection B of this section  
29 and the state shall pay any difference from the amount otherwise required by  
30 this subsection.

31 3. If, after making the adjustments in this subsection, a county would  
32 contribute more than if its contribution were calculated using the percentage  
33 prescribed in subsection B of this section multiplied by the total nonfederal  
34 costs of long-term care services, excluding services to the developmentally  
35 disabled, the county's contribution shall be reduced to the sum of its prior  
36 year's contribution plus fifty per cent of the difference between the prior  
37 year's contribution were it calculated using the percentage in subsection B  
38 of this section and the current year's contribution as if its share of the  
39 total nonfederal portion of long-term care costs had been calculated using  
40 the percentage prescribed in subsection B of this section and the state shall  
41 pay any difference from the amount otherwise required by this subsection.

42 4. AFTER MAKING ALL OF THE ADJUSTMENTS IN THIS SUBSECTION, A STATEWIDE  
43 PER CAPITA COUNTY CONTRIBUTION SHALL BE CALCULATED BY SUMMING THE  
44 CONTRIBUTIONS FOR ALL COUNTIES AND THEN DIVIDING THE RESULTING TOTAL BY THE  
45 TOTAL STATE POPULATION. IF AN INDIVIDUAL COUNTY'S CONTRIBUTION WHEN

1 EXPRESSED AS A PER CAPITA CONTRIBUTION EXCEEDS THE STATEWIDE PER CAPITA  
2 COUNTY CONTRIBUTION, THE COUNTY'S CONTRIBUTION SHALL BE REDUCED SO THAT THE  
3 COUNTY'S CONTRIBUTION EQUALS THE STATEWIDE PER CAPITA CONTRIBUTION AND THE  
4 DIFFERENCE SHALL BE PAID BY THE STATE. FOR THE PURPOSES OF THIS PARAGRAPH,  
5 "POPULATION" MEANS THE POPULATION ESTIMATE APPROVED BY THE DIRECTOR OF THE  
6 DEPARTMENT OF ECONOMIC SECURITY FOR THE MOST RECENT FISCAL YEAR.

7 D. The director of the Arizona health care cost containment system  
8 administration shall notify each county of the amount determined pursuant to  
9 subsection A of this section to be included in its annual budget no later  
10 than May 1 of each year.

11 E. If a county does not provide funding as specified in subsection A  
12 of this section, the state treasurer shall subtract the amount owed to the  
13 Arizona health care cost containment system fund by the county from any  
14 payments required to be made by the state treasurer to that county pursuant  
15 to section 42-5029, subsection D, paragraph 2, plus interest on that amount  
16 pursuant to section 44-1201 retroactive to the first day the funding was due.  
17 If the monies the state treasurer withholds are insufficient to meet that  
18 county's funding requirement as specified in subsection A of this section,  
19 the state treasurer shall withhold from any other monies payable to that  
20 county from whatever state funding source is available an amount necessary to  
21 fulfill that county's requirement. The state treasurer shall not withhold  
22 distributions from the highway user revenue fund pursuant to title 28,  
23 chapter 18, article 2.

24 F. Each month payment of an amount equal to one-twelfth of the total  
25 amount determined pursuant to subsection A of this section shall be made to  
26 the state treasurer. Beginning October 1, 1989, payment of this amount shall  
27 be made to the state treasurer on or before the fifth day of each  
28 month. Upon request from the director of the Arizona health care cost  
29 containment system administration, the state treasurer shall require that up  
30 to three months' payments be made in advance, if necessary.

31 G. The state treasurer shall deposit the amounts paid pursuant to  
32 subsection F of this section and amounts withheld pursuant to subsection E of  
33 this section in the Arizona health care cost containment system fund  
34 established pursuant to section 36-2913.

35 H. If payments made pursuant to subsection F of this section exceed  
36 the amount required to meet the costs incurred by the Arizona health care  
37 cost containment system for the hospitalization and medical care of a person  
38 who is defined as an eligible person pursuant to section 36-2901, paragraph  
39 6, subdivision (a), the director of the Arizona health care cost containment  
40 system administration may instruct the state treasurer either to reduce  
41 remaining payments to be paid pursuant to this section by a specified amount  
42 or to provide to the counties specified amounts from the Arizona health care  
43 cost containment system fund.

1 I. The amount of the county contribution to the Arizona health care  
2 cost containment system fund established in section 36-2913 shall not exceed  
3 thirty-three per cent of the amount that the system administration expended  
4 in the county for fiscal year 1983-1984. For the purposes of this  
5 subsection, system administration expenditures in a county for fiscal year  
6 1983-1984 are the total capitation and fee for service amounts paid by the  
7 system administration to providers in a county before February 1, 1986 for  
8 services rendered during fiscal year 1983-1984 to persons eligible for the  
9 system.

10 J. The state treasurer shall deposit amounts withheld pursuant to  
11 subsection E of this section in the Arizona health care cost containment  
12 system fund established by section 36-2913.

13 K. The state treasurer shall deposit the monies withheld from the  
14 counties and contributed by the state pursuant to subsection B of this  
15 section in the long-term care system fund established by section 36-2913, in  
16 twelve equal monthly installments. The monthly installments shall be  
17 deposited in the fund by the state treasurer by the fourth working day of  
18 each month.

19 L. By July 1 or within sixty days after enactment of the annual  
20 appropriation for the maintenance and operation of the Arizona health care  
21 cost containment system, whichever is later, and after consulting with the  
22 joint legislative budget committee and the governor's office of strategic  
23 planning and budgeting, the state treasurer shall notify each county of the  
24 amount to be withheld pursuant to subsection B of this section.

25 M. If the monies deposited in the long-term care system fund pursuant  
26 to subsection K of this section are insufficient to meet the funding  
27 requirement as specified in the annual appropriation for the maintenance and  
28 operation of the Arizona health care cost containment system pursuant to  
29 subsection B of this section, the state treasurer shall withhold from any  
30 other monies payable to that county from any available state funding source,  
31 other than the highway user revenue fund, the amount required to fulfill  
32 fifty per cent of the funding requirement and shall deposit the monies in the  
33 long-term care system fund. The state shall pay the remaining fifty per cent  
34 of the funding requirement.

35 N. If any monies in the funds for the purpose of title 36, chapter 29,  
36 article 2 remain unexpended at the end of the fiscal year, the director of  
37 the Arizona health care cost containment system administration shall specify  
38 to the state treasurer the amount to be withdrawn from the long-term care  
39 system fund. Of the amount specified, the state treasurer shall distribute  
40 fifty per cent to the counties pursuant to subsection B or C of this section.  
41 The remaining fifty per cent shall be distributed to the state.

42 O. The board of supervisors of a county that is a program contractor  
43 pursuant to section 36-2940 shall include in its annual budget, subject to  
44 title 42, chapter 17, articles 2 and 3, monies received from the Arizona

1 health care cost containment system fund and long-term care system fund for  
2 the purposes of title 36, chapter 29, article 2.

3 P. Notwithstanding any law to the contrary, beginning in fiscal year  
4 2005-2006 and in each fiscal year thereafter, the state treasurer shall  
5 withhold a total of two million three hundred ninety-five thousand four  
6 hundred dollars for the county contribution for the administrative costs of  
7 implementing sections 36-2901.01 and 36-2901.04 beginning with the second  
8 monthly distribution of transaction privilege tax revenues otherwise  
9 distributable after subtracting any amounts withheld for the county long-term  
10 care contribution. Beginning in fiscal year 2006-2007, the state treasurer  
11 shall adjust the amount withheld according to the annual changes in the GDP  
12 price deflator and as calculated by the joint legislative budget committee  
13 staff. Beginning in fiscal year 2006-2007, the joint legislative budget  
14 committee shall calculate an additional adjustment of the allocation required  
15 by this subsection based on changes in the population as reported by the  
16 department of economic security. For the purposes of this subsection, "GDP  
17 price deflator" has the same meaning prescribed in section 41-563. Each  
18 county's annual contribution is as follows:

- 19 1. Apache, 3.296 per cent.
- 20 2. Cochise, 6.148 per cent.
- 21 3. Coconino, 6.065 per cent.
- 22 4. Gila, 2.491 per cent.
- 23 5. Graham, ~~1.7110~~ 1.7710 per cent.
- 24 6. Greenlee, 0.455 per cent.
- 25 7. La Paz, 0.9430 per cent.
- 26 8. Mohave, 7.079 per cent.
- 27 9. Navajo, 4.640 per cent.
- 28 10. Pima, 42.168 per cent.
- 29 11. Pinal, 8.251 per cent.
- 30 12. Santa Cruz, 1.950 per cent.
- 31 13. Yavapai, 7.794 per cent.
- 32 14. Yuma, 6.949 per cent.

33 Q. The state treasurer shall deposit the amounts paid pursuant to  
34 subsection P of this section in the budget neutrality compliance fund  
35 established by section 36-2928.

36 R. For the purposes of this section, "net assessed value" includes the  
37 values used to determine voluntary contributions collected pursuant to title  
38 9, chapter 4, article 3 and title 48, chapter 1, article 8.

39 Sec. 2. Appropriation

40 The sum of \$9,253,800 is appropriated from the state general fund in  
41 fiscal year 2006-2007 to the Arizona health care cost containment system  
42 administration for the purposes of this act.

1       Sec. 3. Counties; reduction

2       In accordance with section 11-292, Arizona Revised Statutes, as amended  
3 by this act, county contributions for the Arizona long-term care system for  
4 fiscal year 2006-2007 specified in any other law shall be reduced for the  
5 following counties in the following amounts:

6	Cochise	(\$482,900)
7	Gila	(\$977,500)
8	Mohave	(\$336,500)
9	Pima	(\$4,531,900)
10	Pinal	(\$952,500)
11	Santa Cruz	(\$383,000)
12	Yavapai	(\$1,589,500)

13       Sec. 4. Effective date

14       This act is effective from and after September 30, 2006.

APPROVED BY THE GOVERNOR JUNE 21, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 21, 2006.